



## Current Status

WEDNESDAY, JULY 20  
1:30 P.M. EDT

Spectra Energy has received an amended corrective action order (CAO) from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the April 29 incident at Salem Township, Pa.

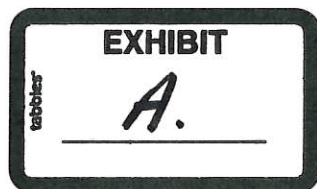
According to the amended CAO, dated July 19, 2016, "The cause of the failure is unknown at this time, and the investigation is ongoing. The failed pipe section has been transported to an independent metallurgist for examination and failure analysis. The preliminary investigation has identified evidence of external corrosion at circumferential welds at the Failure Site. The pattern of corrosion indicates disbondment of the coating material applied to the girth weld joints."

The work described in the amended CAO is well-aligned with the work plan we developed as part of our thorough assessment of the entire Penn-Jersey system, including anomaly investigations, in-line inspections and hydrostatic testing. We have begun or completed many of the action items in the amended CAO.

Spectra Energy continues to support PHMSA's ongoing investigation. We expect the root cause analysis will likely be complete by late summer or early fall.

## Updates

TUESDAY, JULY 19  
5:45 P.M. EDT



Spectra Energy is reviewing an amended corrective action order it received from the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the April 29 incident at Salem Township, Pa.

As referenced in PHMSA's original order, dated May 3, 2016,  
<http://www.spectraenergy.com/announcements/>

## KEY PHONE NUMBERS

### MEDIA

(713) 627-4747 (tel:+17136274747)  
(24-hour media line)

### COMMUNITY INQUIRY LINE

(855) 210-7732 (tel:+18552107732)

### INVESTORS

(713) 627-4778 (tel:+17136274778)

## LATEST TWEETS

🐦 Spectra Energy \$SE & Enbridge \$ENB combining to create largest N. American energy infrastructure co. w/ C\$165B value  
<https://t.co/wduCZFzFNm> (<http://t.co/wduCZFzFNm>)  
9/6/2016 via Twitter Web Client (<http://twitter.com>)

🐦 Due to abundant supply, most #natgas consumed in the U.S. is produced right here. The result: Lower consumer prices.  
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9/2/2016 via Twitter Web Client (<http://twitter.com>)

## DOWNLOADS

⌵ Spectra Energy Fact Sheet  
(pdf, 871 KB)

(</announcements/content/documents/>

"The pattern of corrosion indicates a possible flaw in the coating material applied to girth weld joints following construction welding procedures in the field at that time." A 2012 inline inspection of the line revealed no areas requiring repair or remediation before the next inspection, and we continue to investigate what factors may have contributed to the incident.

Spectra Energy continues to support PHMSA's ongoing investigation. We expect the root cause analysis will likely be complete by late summer or early fall.

Per our June 30 update, as a conservative and precautionary measure, Spectra Energy voluntarily made the decision to conduct a thorough assessment along the entire Penn-Jersey pipeline system – which consists of four parallel pipes and runs from Delmont, Pa., to Lambertville, N.J. – to confirm the system's integrity. This assessment includes reviewing inspection data, evaluating construction records, performing field investigations, and scheduling additional interior and exterior inspections. These field investigations include uncovering the pipeline in certain locations to inspect it from the outside.

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THURSDAY, JUNE 30  
5:30 P.M. EDT

As a conservative and precautionary measure, Spectra Energy voluntarily has made the decision to conduct a thorough assessment along the entire Penn-Jersey pipeline system – which consists of four parallel pipes and runs from Delmont, Pa., to Lambertville, N.J. – to confirm the system's integrity. This assessment includes reviewing inspection data, evaluating construction records, performing field investigations, and scheduling additional interior and exterior inspections. These field investigations include uncovering the pipeline in certain locations to inspect it from the outside. We have developed a plan of work to begin these investigations shortly after the Independence Day holiday.

While this is a significant part of U.S. energy infrastructure, we intend to be methodical in our evaluation and take the time we need to do a thorough assessment. We recognize the increased

demand for natural gas during the winter heating season, and are executing on a plan designed to return to full service by Nov



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We remain in regular contact with the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) about this voluntary plan and continue to support them in the ongoing incident investigation. We expect the root cause analysis will likely be completed by late summer or early fall.

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**THURSDAY, JUNE 9**  
**6:20 P.M. EDT**

The Pennsylvania Department of Environmental Protection (DEP) conducted air quality monitoring for 24 hours after the incident. As the DEP has stated publicly, the results indicate that there are no health concerns.

Additional air quality samples Spectra Energy collected May 18 to May 19 revealed no contaminants from this incident.

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**THURSDAY, MAY 26**  
**6:00 P.M. EDT**

The Pennsylvania Department of Transportation has reopened State Route 819.

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**TUESDAY, MAY 24**  
**3:30 P.M. EDT**

We anticipate that the Pennsylvania Department of Transportation will reopen State Route 819 by Friday, May 27, weather permitting.

Air quality samples collected May 18 to May 19 revealed no contaminants from this incident.

Previous environmental tests for soil, ground water and surface water indicate there are no contaminants from this incident.

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**WEDNESDAY, MAY 18**  
**5:45 P.M. EDT**

Work continues to restore the incident site. Environmental tests for soil, ground water and surface water have been completed, and results indicate there are no contaminants from

completed, and results indicate there are no contaminants from this incident. The Pennsylvania Department of Environmental Protection conducted air quality monitoring after the incident, and we are awaiting those results.

We continue to work collaboratively with PHMSA to confirm the integrity of the other lines in the vicinity. This work includes excavation at the incident site and a number of assessments to inspect the lines to verify they were not damaged by the incident.

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**TUESDAY, MAY 10**  
**6:15 P.M. EDT**

We are working to take care of those affected by the incident and are responding to community concerns.

We continue to assist PHMSA in the ongoing investigation and to restore the incident site. After we confirmed the integrity of one of the lines in the area and determined through extensive testing that it was not affected by the incident, we returned that line to service yesterday. The U.S. Department of Transportation authorized its restart.

In coordination with PHMSA, we also are conducting assessments on two other lines in the vicinity to verify that no damage occurred due to the incident.

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**MONDAY, MAY 9**  
**6:20 P.M. EDT**

We have completed our work to examine and confirm the integrity of one of the three lines in the vicinity of the incident. This work included uncovering the line to verify that there was no damage to the pipe from the incident.

We used a number of examination techniques:

- Conducted pipe measurements to ensure no deformation of the pipe
- X-rayed circumferential welds that connect the pipe segments
- Visually inspected the pipe coating for damage due to heat exposure
- Conducted a leak study near the incident site, which involved bringing the line to partial pressure and walking along the pipeline with a sensitive instrument to verify that the line is

not leaking

The results showed that this line was not affected by the incident, and the U.S. Department of Transportation has authorized its restart. We have now put this line back into operation. The other lines in the vicinity remain shut-in, including the line involved in the incident.

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**SATURDAY, MAY 7**

**5:30 P.M. EDT (UPDATED - MAY 8 - 11:25 A.M.)**

Work continues to restore the incident site. Results from the soil and surface water testing to date indicate there are no contaminants from this incident in the soil or surface water. We expect additional surface water testing to be conducted next week. Ground water testing is ongoing.

Other work at the site focuses on confirming the integrity of the three lines in the vicinity. One of these lines has been uncovered to verify that no damage occurred due to the incident. Inspection of the line includes x-rays and other methods.

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**FRIDAY, MAY 6**

**3:45 P.M. EDT**

Our thoughts remain with those affected by the incident in Salem Township. Spectra Energy is committed to taking care of the community and safely restoring the area.

Results from the soil testing to date indicate there are no contaminants from this incident in the soil.

We continue to assist PHMSA in the ongoing investigation at the site. The affected line and the three other lines in the vicinity remain shut-in. We are working to verify the condition of the lines. Work is progressing to restore capacity through the Delmont compressor station, and some capacity may be available next week.

Spectra Energy will provide updated details as available and will post those to this website.

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**THURSDAY, MAY 5**

**3:00 P.M. EDT**

Spectra Energy remains committed to taking care of those affected by the incident in Salem Township and safely restoring



the area. We continue to assist PHMSA in the ongoing investigation at the site.

The affected line and the three other lines in the vicinity remain shut-in. We are working to verify the condition of the lines, which includes excavating and examining the pipelines.

Work is progressing to restore capacity through the Delmont compressor station, and some capacity may be available next week.

Spectra Energy will provide updated details as available and will post those to this website.

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#### WEDNESDAY, MAY 4

2:45 P.M. EDT (UPDATED - MAY 4 - 6:25 P.M.)

Spectra Energy has received a corrective action order from the U.S Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the April 29 incident at Salem Township, Pa. According to the order:

"The cause of failure is unknown at this time, and the investigation is ongoing. The failed pipe section is being transported to an independent metallurgist for examination and failure analysis. The preliminary investigation has identified evidence of corrosion along two of the circumferential welds: one at the point of failure and another excavated after PHMSA's response to the Failure Site. The pattern of corrosion indicates a possible flaw in the coating material applied to girth weld joints following construction welding procedures in the field at that time."

A corrective action order is a tool used by PHMSA to direct the operator to take specific actions during an incident investigation.

An inline inspection in 2012 revealed no areas requiring repair or remediation before the next inspection.

Spectra Energy continues to support the ongoing investigation.

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#### MONDAY, MAY 2

6:00 P.M. EDT (REVISED - MAY 2 - 8:25 P.M.)

Spectra Energy remains focused on safely restoring the incident site at Salem Township, Pa., and on working with the Pipeline and Hazardous Materials Safety Administration (PHMSA) to

investigate the incident and return our lines to service.

Safety remains at the forefront of everything we do. Air quality monitoring has been completed, while soil, surface water and ground water testing is ongoing.

We are working with PHMSA on our return to service plan for the additional Texas Eastern lines that we isolated out of an abundance of caution and are keeping our shippers informed of our plan.

While we are sensitive to our shippers' responsibilities and can't speak to how they are meeting their customers' needs, we are unaware of any downstream reliability issues due to our outage.

The return of capacity through the Delmont compressor station remains unknown, but will remain at zero through May 6, 2016.

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#### **SUNDAY, MAY 1**

**3:09 P.M. EDT (REVISED - MAY 2 - 10:40 A.M. EDT)**

Spectra Energy is committed to taking care of all those involved in the incident in Salem Township and safely restoring the area. Here is the latest information as of today, May 1:

- Six of the nine evacuated households have returned to their homes.
- We continue to work with investigators from the Pipeline and Hazardous Materials Safety Administration (PHMSA).
- A silt fence has been installed to protect a nearby stream from any potential runoff from rain water.
- The Pennsylvania Department of Environmental Protection has completed air quality monitoring. Spectra Energy is conducting surface water testing.

Spectra Energy will provide update details as available, and will post those to this website.

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#### **SATURDAY, APRIL 30**

**1:44 P.M. EDT (REVISED - MAY 2 - 10:40 A.M. EDT)**

Our hearts and thoughts are with the injured man and his family, as well as the community as a whole. We are deeply sorry for the effect this incident has had on the community, and we are committed to taking care of all of those involved. We appreciate

the efforts of the first responders and our employees who live and work in Salem Township. Our care team is working closely with the affected landowners, and an insurance adjuster is on site to ensure their homes and property are safely restored as soon as possible.

Safety is at the forefront of all that we do. Out of an abundance of caution, the Pennsylvania Department of Environmental Protection is conducting air quality monitoring, and surface water testing will also be conducted. To protect the nearby stream from any potential runoff from rain water, we are installing a silt fence along the stream.

We are focused on supporting the investigation, which is being led by the Pipeline and Hazardous Materials Safety Administration (PHMSA).

Spectra Energy will provide update details as available, and will post those to this website.

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FRIDAY, APRIL 29  
6:15 P.M. EDT

### **Spectra Energy Update to Pipeline Incident in Salem Township, PA**

Spectra Energy has deployed additional personnel to respond to the incident in Salem Township, Penn., on its Texas Eastern natural gas pipeline.

"On behalf of Spectra Energy, I want to express our deep sympathy and concern for the individual who was injured and his family, as well as our concern for all those affected by this incident," said Bill Yardley, President of Spectra Energy US Transmission and Storage. "We greatly appreciate the efforts of local responders, and are working closely with them to resolve the situation as swiftly and safely as possible. We have a care team on the ground to assist those affected by the incident."

There was a fire, which has been extinguished. Authorities have established a one-quarter-mile evacuation radius from the site of the incident. Everyone in the evacuated area has been accounted for.

There are four parallel Texas Eastern lines in this right-of-way. All of the lines were isolated within an hour of the incident. Out



of an abundance of caution, Spectra Energy is conducting a controlled release of the gas in the lines over the next several hours.

This section of pipe is 30 inches in diameter, and was built in 1981. An in-line inspection occurred in 2012, and it revealed no areas requiring repair or remediation before the next inspection.

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FRIDAY, APRIL 29  
3:15 P.M. EDT

**HOUSTON** – Spectra Energy personnel are responding to an incident in Salem Township, Penn., on its Texas Eastern natural gas pipeline, the company announced today. The incident occurred at 8:13 a.m. ET.

Our first concern is for the safety of the community and our employees, and we are cooperating and coordinating with state and local authorities in our response.

There was a fire, which has been extinguished. Authorities have established a one-quarter-mile evacuation radius from the site of the incident.

Everyone in the evacuated area has been accounted for. We can confirm that there was one injury and two homes damaged.

There are four parallel Texas Eastern lines in this right-of-way. All of the lines were isolated within an hour of the incident. Out of an abundance of caution, Spectra Energy is conducting a controlled release of the gas in the lines.

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**FRIDAY, APRIL 29**  
**9:45 A.M. EDT**

Spectra Energy is responding to an incident in Salem Township, Pennsylvania, involving the Texas Eastern pipeline. We have limited information as yet. Our first concern is for the safety of the community, our employees and any others who may be affected. We have activated our emergency response plan. We are cooperating with authorities in our response, and we will provide more information at a later time.

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#### **ABOUT SPECTRA ENERGY**

Spectra Energy Corp ( NYSE: SE ), a FORTUNE 500 company, is one of North America's leading pipeline and midstream companies.

#### **CONTACT US**

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